



**Cost Reimbursement
CITY OF AUSTIN
RECOMMENDATION FOR COUNCIL ACTION**

**AGENDA ITEM NO.: 3
AGENDA DATE: Thu 10/20/2005
PAGE: 1 of 3**

SUBJECT: Authorize negotiation and execution of a cost reimbursement agreement with MOMARK DEVELOPMENT, LLC, providing terms and conditions for construction of 24 and 36 or 48-inch water mains and appurtenances to provide water service to the Goodnight Ranch located east of Bluff Springs Road and south of Nuckols Crossing Road along the proposed extension of Slaughter Lane with City cost reimbursement in an amount not to exceed \$3,504,000 for actual ("hard") construction costs and professional services costs ("soft") for engineering, design and project management for the 36 or 48-inch water main only in an amount not to exceed 15% of the actual "hard" construction costs of the 36 or 48-inch water main or \$292,500, whichever is less; approve an Ordinance waiving the requirements of Section 25-9-63, of the City Code relating to amount of cost reimbursement.

AMOUNT & SOURCE OF FUNDING: Funding in the amount of \$3,796,500 is available in the Fiscal Year 2004-2005 Capital Budget of the Austin Water Utility.

FISCAL NOTE: A fiscal note is attached.

REQUESTING Austin Water Utility
DEPARTMENT:

**DIRECTOR'S
AUTHORIZATION:** Chris Lippe

FOR MORE INFORMATION CONTACT: Reynaldo Cantu, 972-0240; Phillip Jaeger, 972-0232; Denise Avery, 972-0104

PRIOR COUNCIL ACTION: N/A

BOARD AND COMMISSION ACTION: Recommended by the Water and Wastewater Commission.

The Goodnight Ranch is a proposed mixed-use development located on approximately 714 acres of land located east of Bluff Springs Road and south of Nuckols Crossing Road along the proposed extension of Slaughter Lane (the "Property"), currently within the limited purpose jurisdiction of Austin. Momark Development, LLC (the "Owner") has submitted Service Extension Request Number 2416, requesting the extension of City water utility service to the Property, which is within the Desired Development Zone and Onion Creek Watershed.

Under the proposed cost reimbursement agreement, the Owner would construct approximately 5,000 feet of 36 or 48-inch water main from the proposed 24-inch water main in Bluff Springs Road at Slaughter Lane, east along the extension of Slaughter Lane through the Property to the eastern property line of the Property. The Developer will also construct approximately 6,000 feet of 24-inch water main from existing 24-inch water main in Salt Springs Drive at Thaxton Road, west and south to the Property, extending to the proposed 36 or 48-inch water main. The Owner in addition will construct and approximately 1,400 feet of 24-inch water main from the existing 24-inch water main in East William Cannon Drive, south to the existing 20-inch water main in Colton-Bluff Springs Road. The proposed 24 and 36 or 48-inch water main improvements have been identified as a required water improvement to supply water to the south I.H. 35 area.

Phase One Central Water Pressure Zone Water Improvements:



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The Owner will construct approximately 4,100 feet of 24-inch water main from the existing 24-inch water main in Salt Springs Drive at Thaxton Road, west and south to the Property.

Phase One South Water Pressure Zone Water Improvements (for development above the 590 foot contour):

The Owner will construct approximately 2,400 feet of 36 or 48-inch water main (the final size of the water main will be determined prior to the initiation of the design) from the proposed 24-inch water main (to be constructed by other Zachary Scott WSER 2259) in Bluff Springs Road at Slaughter Lane, east along the proposed extension of Slaughter Lane within the Property.

Phase Two

The Owner will construct approximately 1,900 feet of 24-inch water main from the end of the Phase One Central Water Improvements, south to the proposed extension of Slaughter Lane within the Property and the Phase Two 36 or 48-inch water main improvements. The Owner will construct approximately 2,600 feet of 36 or 48-inch water main from the end of the Phase One South Water Improvements, east along the extension of Slaughter Lane to the eastern property line of the Property. These water improvements will connect to the Phase Two 24-inch water improvements.

Additional Phase Two Central/South Water Pressure Zones Water Improvements:

The Owner will convert the existing 24-inch water main in Salt Springs Drive from the Central Water Pressure Zone to South Water Pressure Zone by connecting the 24-inch water main to the existing 24-inch South Water Pressure Zone water mains in East William Cannon Drive at Salt Springs Drive, connect the existing 20-inch Central Water Pressure Zone water main in Colton-Bluff Springs Road at Salt Springs Drive to the existing 12-inch Central Water Pressure Zone water main in Salt Springs Drive, and connect the existing 12-inch Central Water Pressure Zone water mains together in Salt Springs Drive and Thaxton Road. The Owner will also construct approximately 1,400 feet of 24-inch water main from the existing 20-inch Central Water Pressure Zone water main in Colton-Bluff Springs Road east of Springtime Trail, north to the existing 36-inch Central Water Pressure Zone water main in East William Cannon Drive.

The total cost reimbursement for the Phase One and Phase Two water improvements under this agreement will be for the actual "hard" construction costs of the 24 and 36 or 48-inch water mains and appurtenances constructed within public right-of-way or easements for a total not to exceed \$3,504,000.00. The City will reimburse Momark Development, LLC, the costs for engineering, design and project management of the 36 or 48-inch water main and appurtenances within public right-of-way or easements for a total not to exceed 15% of the actual "hard" construction costs of the 36 or 48-inch water main up to a maximum of \$292,500.00, whichever is less. Momark Development, LLC, will bear all other "soft" costs for financing, accounting, and legal services associated with this construction.

Because the City requested that the Owner construct the 36 or 48-inch water main, the Owner is requesting a waiver from City Ordinance requirements in Section 25-9-63 relating to the amount of cost reimbursement for "soft" costs. Under this Section, the amount of reimbursement is for the actual "hard" construction costs only.

This action waives the requirements of Section 25-9-63, thereby allowing the reimbursement of engineering, design and project management costs associated with the 36 or 48-inch water main and



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appurtenances constructed within public right-of-way or easements.

Cost reimbursement payments for the permanent water improvements to Momark Development, LLC, are to be made in one (1) payment on March 1 of the second year following the year in which the water improvements are accepted in accordance with Section 25-9-67 of the City Code.

The Owner will conform to the City of Austin design criteria and construction standards in all respects. The Owner agrees to permit the City to use the Plans and Specifications approved by the Director, to solicit and publish invitations for bids for the construction of the improvements following standard City bidding practices and procedures, including the minority-owned and women-owned business enterprise procurement program found in Chapter 5-7, City Code, as amended, and Chapters 212 and 252, Texas Local Government Code, as amended.


No. 100505-I

**WATER AND WASTEWATER COMMISSION RESOLUTION
COST REIMBURSEMENT AGREEMENT WITH MOMARK DEVELOPMENT, LLC, IN AN AMOUNT
NOT TO EXCEED 15% OF THE ACTUAL "HARD" CONSTRUCTION COSTS OF THE 36 OR 48-INCH
WATER MAIN OR \$292,500.00, WHICHEVER IS LESS; APPROVE AN ORDINANCE WAIVING THE
REQUIREMENTS OF SECTION 25-9-63, OF THE CITY CODE RELATING TO AMOUNT OF COST
REIMBURSEMENT**

**October 5, 2005
REGULAR MEETING
VOTE: 8-0-0-1**

Motion made by: Warner
Commissioners Consenting: Coleman, Friese, Lee, Pool, Raun, Scott-Ryan, Chan
Commissioners Dissenting:
Commissioners Abstaining:
Commissioners Absent: Gonzalez

The Water and Wastewater Commission recommends the Council authorize execution of a cost reimbursement agreement with MOMARK DEVELOPMENT, LLC, providing terms and conditions for construction of 24 and 36 or 48-inch water mains and appurtenances to provide water service to the Goodnight Ranch located east of Bluff Springs Road and south of Nuckols Crossing Road along the proposed extension of Slaughter Lane with City cost reimbursement in an amount not to exceed \$3,796,500.00, for actual ("hard") construction costs and professional services costs ("soft" cost) for engineering, design and project management for the 36 or 48-inch water main only in an amount not to exceed 15% of the actual "hard" construction costs of the 36 or 48-inch water main or \$292,500.00, whichever is less; approve an ordinance waiving the requirements of Section 25-9-63, of the City Code relating to amount of cost reimbursement.



Michael Warner, Chairperson
Water and Wastewater Commission

10/5/05
Date

CIP FISCAL NOTE

DATE OF COUNCIL CONSIDERATION:
WHERE ON AGENDA:
DEPARTMENT:

10/20/2005
Resolution
Austin Water Utility

DESCRIPTION:

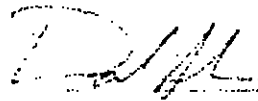
Authorize negotiation and execution of a cost reimbursement agreement with MCMARK DEVELOPMENT, L.L.C. providing terms and conditions for construction of 24 and 36 or 48-inch water mains and appurtenances to provide water service to the Goodnight Ranch located east of Bluff Springs Road and south of Nickols Crossing Road along the proposed extension of Slaughter Lane with City cost reimbursement in an amount not to exceed \$3,796,500.00, for actual ("hard") construction costs and professional services costs ("soft" costs) for engineering, design and project management for the 36 or 48-inch water main only in an amount not to exceed 15% of the actual "hard" construction costs of the 36 or 48-inch water main or \$292,500.00, whichever is less; approve an Ordinance waiving the requirements of Section 25-9-63, of the City Code relating to amount of cost reimbursement

FINANCIAL INFORMATION:

Parent Project Name	Water Unlimited Future
Project Authorization	2004-05 Approved Capital Budget
Funding Source	Commercial Paper
Number	3960 227 1019

Current Appropriation	\$ 299,783,739.00
Unencumbered Balance	88,018,617.63 *
Amount of This Action	(3,796,500.00)
Remaining Balance	<u>\$ 84,222,117.63</u>
Current Available Balance	\$ 91,105,581.57
Less Outstanding Commitments	<u>(3,086,963.94)</u>
Estimated Unencumbered Balance	<u>\$ 88,018,617.63 *</u>

Utility Finance


David Andrew, Utility Finance Manager

Date

9/28/05

REF. # 3960 227 2052